

Appendix 2.2

Electric Utility Restructuring: Legislation Comparison Table

Summary of Major Provisions of S. 1401, H.R. 655, H.R. 1230, S. 722, H.R. 1960
and S. 2287

Provision	S. 1401	H.R. 655	H.R. 1230	S. 722	H.R. 1960	S. 2287
Deadline for Retail Competition	January 1, 2002	December 15, 2000	January 1, 1999	No federally imposed deadline	No federally imposed deadline	January 1, 2003, with state and nonregulated utility opt out provisions
Federal Role in Implementing Retail Competition	Federal mandate enforceable in federal courts	Federal mandate enforceable by FERC	Federal mandate enforceable by FERC	No federal mandate. Retains role in interstate transmission	No federal mandate. Enhanced utility oversight, environmental and consumer protection role	Federal mandate enforceable by state courts. Enhanced utility oversight, and environmental role
State Role in Implementing Retail Competition	Retains role in protecting the public interest, and regulating distribution and retail transmission service	Detailed state implementation requirements for retail competition along with retaining role in local distribution and consumer protection	Retains role in protecting the public interest, and regulating local distribution service	Lead role in deciding on retail competition reforms. Retains role in protecting public health and safety	Lead role in deciding on retail competition reforms based on detailed federal provisions. Enhanced role in utility oversight	Lead role in deciding on retail competition reforms, and retains role in regulating local distribution service. May tap into federal public benefits fund for public purpose programs
Transitional Concerns -- Stranded Costs	Detailed requirements for stranded cost recovery with FERC serving as a backstop	No requirement. States may choose to impose a charge to provide for such recovery	No requirement. States may not impose an exit charge to provide for such a recovery	No requirement. States may choose to impose a charge to provide for such recovery	No requirements. Any stranded cost recovery must be allocated in an equitable manner to all customer classes	No requirement. States may choose to impose a charge to provide for such recovery
Structuring the Market -- Reliability	Detailed provisions for ISOs, along with state authority to ensure reliability	State authority to ensure reliability	FERC to ensure transmission reliability; states to ensure local distribution reliability	State authority to ensure reliability	Creates self-regulating utility councils under FERC oversight to protect reliability	Creates self-regulating utility councils to protect reliability FERC authority to create ISOs
Structuring the Industry -- Corporate Structure (including PUHCA)	ISOs must be independent PUHCA repealed 1 year after enactment, replaced by enhanced federal and state access to company records "Ohio Power" provision to permit state review of affiliate transactions	PUHCA ceases to apply to a company when the affected states determine the company offers effective retail competition. Replaced by enhanced federal and state access to company records	Functional divestiture of transmission/ distribution and generation components PUHCA ceases to apply to a company when the affected states determine the company offers effective retail competition	PUHCA repealed 18 months after enactment and replaced by enhanced federal and state access to company records	PUHCA ceases to apply to a company when the affected states certify the company's compliance with federal retail competition and public benefit standards. Replaced by enhanced federal and state authority to oversee utility mergers, acquisitions, affiliate relationships, and diversification efforts	PUHCA repealed 18 months after enactment and replaced by enhanced federal and state access to company records

Structuring the Industry -- Corporate Transactions (including PURPA)	Sec. 210 of PURPA does not apply to new facilities after January 1, 2002 Existing contracts are unaffected	Sec. 210 of PURPA does not apply to a utility the state determines provides effective retail competition Existing contracts are unaffected	Sec. 210 of PURPA does not apply to a utility the state determines provides effective retail competition Contracts as of the date of enactment are unaffected	Sec. 210 of PURPA does not apply to new facilities after the date of enactment unless a power purchase contract had been entered into beforehand Existing contracts are unaffected	Sec. 210 of PURPA ceases to apply to a utility when the affected state certifies the utility's compliance with federal retail competition and public benefit standards Existing contracts are unaffected	Utilities are not required to enter into new contracts under to Sec. 210 of PURPA after enactment
Structuring the Industry -- Public Power	TVA fence is removed if in U.S. interests; purchase contracts with TVA may be terminated on 1-year notice after January 1, 2001; privatization study required. BPA regional governing body authorized. Authorized BPA compliance with FERC open access rules and participation in a ISO shall not threaten U.S. Treasury receipts.	Purchasers of Power Marketing Administration (PMA) power may not resell that power outside their distribution area	No specific provisions	All transmitting utilities are subject to FERC with respect to any wholesale transmission service Study of tax benefits of public and investor-owned power	Except for existing arrangements, TVA and PMAs may not provide retail service to customers outside their areas unless retail competition is available to all customers within such area	FERC's open access and stranded cost rules would extend to public power, including TVA and PMAs. Prohibits public power from issuing tax-exempt bonds for new generating facilities. Out-standing tax-exempt bonds would be grandfathered.
Environment	EPA study of air pollution standards and electricity restructuring by January 1, 2000	States may assess charges to fund environmental programs	No specific provisions	States may assess charges to fund environmental programs	President to prevent advantage to utilities whose plants emit excessive amount of sulfur dioxide, nitrogen oxides, and carbon dioxide	EPA may establish regional NOx "cap and trade" programs to implement transported air pollution provisions of the Clean Air Act.
Renewable Energy	Renewable set-aside requirement and trading program	Renewable set-aside requirement and trading program	States may permit consumer choice with regard to renewable energy	States may assess charges to fund renewable energy programs	Renewable set-aside requirement and trading program	Renewable set-aside requirement and trading program
System Benefits (Energy Efficiency, low-income programs, R & D, and renewables)	States may assess charges to fund public benefit programs, such as universal service protection for customers, low-income energy assistance, R&D programs, and energy efficiency and conservation	States may assess charges to fund public benefit programs, such as universal service protection for customers, low-income energy assistance, and/or environmental, renewable, efficiency, conservation, or other such programs	States may assess charges to continue universal service protection for customers States retain authority over conservation, R&D, and other programs deemed appropriate by the state	States may assess charges to fund public benefit programs, such as universal service protection for customers, low-income energy assistance, R&D efforts, and environmental, renewable energy, energy efficiency or conservation programs	As part of the certification process, states must generally assess charges to fund public benefit programs, such as low-income services, renewable energy and energy efficiency	States may tap into a federal public benefit fund to provide for low-income energy assistance, consumer education, R&D, rural assistance, and energy efficiency or conservation programs

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